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Liaison Counsel for Plaintiffs

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

\*E-FILED - 4/6/06\*

In re READ-RITE CORPORATION  
SECURITIES LITIGATION

Master File No. 03-03148 RMW

CLASS ACTION

Hon. Ronald M. Whyte

This Document Relates to:  
All Actions.

~~PROPOSED~~ ORDER DIRECTING DISTRIBUTION  
OF THE NET SETTLEMENT FUND

WHEREAS on June 10, 2005, this Court, by the Honorable Ronald Whyte, approved the class action settlement in this action (the "Final Order");

WHEREAS, the Court retained jurisdiction over certain matters, including all matters relating to the administration of the Settlement and its terms, which include plaintiffs' application for an Order Directing Distribution of Net Settlement Fund, and allowance of fees and costs to Berdon Claims Administration LLC ("BCA") for its services as the Settlement Administrator herein (as detailed in the affidavit of Michael Rosenbaum, sworn to March 21, 2006);

WHEREAS, plaintiffs have sought entry of an order permitting a pro rata distribution of the settlement funds to be made to Class Members in accordance with the Order approving the Stipulation of Settlement;

1 WHEREAS, proof of Claim Forms have been filed by certain claimants and have  
2 been reviewed and analyzed by BCA to confirm completion of the claims and documentation of each  
3 claimant's right to participate in the distribution;

4 WHEREAS, after review and analysis of the Proof of Claims, BCA forwarded notices  
5 of deficiencies to appropriate claimants, and where applicable, notices of rejections of claims, and  
6 the notices informed all claimants of their right to appeal the disallowance or rejection of their claim;  
7 and

8 WHEREAS, the Court has reviewed the procedures taken in the claims procedure and  
9 administration of the Settlement Fund, and has considered the recommendations of BCA concerning  
10 the allowances and disallowance of claims, and finally barring claims which are deficient,  
11 incomplete or were otherwise rejected; and

12 WHEREAS, the Court having reviewed all submissions presented on the Motion, it  
13 is now hereby ORDERED, ADJUDGED AND DECREED THAT:

14 1. The procedures used and actions taken for the administration of the Settlement  
15 and claims procedure are hereby adjudged to have been proper and complete, and the administrative  
16 determinations of the Claims Administrator accepting and rejecting claims filed in this matter are  
17 approved.

18 2. The hours of services, fees and out-of-pocket expenses, and costs for services  
19 for which BCA seeks payment are approved and adjudged to be fair and reasonable. BCA shall be  
20 paid \$74,453.12, comprising \$69,500.00 in fees and \$4,953.12 in additional out-of-pocket expenses  
21 from the Settlement Fund.

22 3. The Net Settlement Fund shall be distributed as soon as reasonably possible  
23 in accordance with the Final Order and each Class Member shall receive his/her/its pro rata share  
24 of the Net Settlement Fund calculated by BCA based on their calculated recognized losses after  
25 deduction of any additional taxes to be paid to the Internal Revenue Service.

26 4. All claimants asserting any defective claims are hereby barred from (a)  
27 participating in the Net Settlement Fund, (b) claiming against the Settlement Fund, and (c) claiming  
28 against any person involved in the acceptance or disallowance, verification or calculation, tabulation

1 or other processing of the claims filed, the notification of claimants as to the disposition of their  
2 claims, the investment or distribution of the Settlement Fund, or any other aspect of the  
3 administration of the Settlement Fund, and releasing the parties and their agents from any liability  
4 in connection with the processing of the Proofs of Claim and the distribution of the Settlement Fund  
5 and any other aspect of the administration of the Settlement Fund, including BCA and Plaintiffs'  
6 Counsel.

7           5. All parties and counsel and their agents are released from any liability in  
8 connection with the processing of the Proofs of Claim and the distribution of the Settlement Fund  
9 except for any proven gross or willful misconduct.

10           6. The Court reserves jurisdiction over all matters relating to any administration  
11 for and consummation of the terms of the Settlement.

12           7. The above provisions of this Order constitute a full and complete adjudication  
13 of the matters herein, and the Court determines that there is no just reason for delay and directs,  
14 pursuant to Rule 54(b), that this final judgment be entered with respect to all such matters.

15 Dated: 4/3, 2006

16 /S/ RONALD M. WHYTE  
17 United States District Judge  
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